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Lerado Financial Group Company Limited

隆成金融集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1225)

UPDATE ANNOUNCEMENT

This announcement is made pursuant to Rule 13.09 and Rule 13.24A of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcements of Lerado Financial Group Company Limited (the “**Company**”, which together with its subsidiaries, the “**Group**”) dated 5 June 2017, 6 June 2017 and 7 June 2017 in relation to, among other matters, the letter dated 5 June 2017 issued by the Securities and Futures Commission of Hong Kong (the “**SFC Letter**”) to the Company and the suspension of trading in shares of the Company, as well as the announcements of the Company dated 7 June 2017, 9 August 2017, 20 July 2018 and 31 July 2018.

BUSINESS OPERATIONS OF THE GROUP

The Company is an investment holding company. The Group is principally engaged in providing financial services including securities broking, margin financing and money lending etc., as well as manufacturing and distributing children plastic toys and medical care products like mobility aid and other medical equipment.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company would like to provide the shareholders and potential investors of the Company with updates on the latest operation and financial status of the Group as at the date of this announcement.

On 31 August 2018, the Company published its unaudited consolidated interim results for the six months ended 30 June 2018, and the related interim report was published on 27 September 2018 (the “**2018 Interim Report**”). As stated in the 2018 Interim Report, the total assets and the net assets value of the Group as at 30 June 2018 were approximately HK\$2,266 million and HK\$1,273 million, respectively. The Directors consider that there has been no material adverse change to the total assets and net asset value of the Group since 30 June 2018. Meanwhile, the Group is carrying on its businesses as usual and the loss for the six months ended 30 June 2018 was reduced to HK\$23 million as compared with the loss for the six months ended 30 June 2017 of HK\$462 million.

Reference is also made to the circular of the Company dated 3 February 2017 in relation to the proposed joint venture (the “**Joint Venture**”) formation under the Mainland and Hong Kong Closer Economic Partnership Arrangement framework for the purpose of establishing a licensed corporation to provide full range of securities and financial services in the People’s Republic of China (the “**PRC**”). As at the date of this announcement, the formation of the Joint Venture is still in the process of application and the shareholders of the Joint Venture are still waiting for the People’s Government of Guangdong Province’s written consent. Once the aforesaid written consent is obtained, the shareholders of the Joint Venture will submit the formal application to the China Securities Regulatory Commission of the PRC for the establishment of and the grant of regulatory licenses to the Joint Venture.

EXPECTED TIMETABLE

As set out in the announcement of the Company dated 20 July 2018, a new independent committee of the Board was established, and new legal advisers and re-engagement of HLB Hodgson Impey Cheng Limited (“**HLB**”) had been made to conduct an independent investigation (the “**Independent Investigation**”) into the matters and issues raised in the SFC Letter.

The Company wishes to update that HLB is in the process of finalizing the report on the Independent Investigation and is expected to complete within 1 month from the date of this announcement. Once the report is completed, the Company will engage an internal control adviser to conduct review of the Group’s internal control system based on the Independent Investigation result.

The Company will make further announcement(s) relating to any further material developments of the above. The Company will also inform the market of all material information for its shareholders and investors to appraise the Company’s position as and when appropriate in accordance with the Listing Rules.

CONTINUED SUSPENSION OF TRADING

Trading in the shares on the Stock Exchange has been suspended with effect from 6 June 2017 and will remain suspended until further notice.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
Lerado Financial Group Company Limited
Ho Kuan Lai
Executive Director

Hong Kong, 7 November 2018

As at the date of this announcement, the executive Directors are Mr. CHEN Chun Chieh, Mr. LAI Kin Chung, Kenneth and Ms. HO Kuan Lai; and the independent non-executive Directors are Mr. YU Tat Chi Michael, Mr. YANG Haihui and Mr. LAM Williamson.